(53-P)

Previous references.
S.R. 89-06. 8816.
S.R. 64-08-14.

1909.
(S.R.)

File No. 172-09.
Serial Nos. 1-9.

Later references.
S.R. 142-14 & 1616. B. Nov. 1915.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-9

Part B. for april 1911

SUBJECT.

Question of the revision of the retail selling price of opium in the State.

1. From the 7.A-Resident. No. 727. d. 5/2/10.

Forwards for opinion copy of letter no 319 dt 29.1.10 from the Secretary to the Madras Govt re: the enhancement of the issue price of opium to Rs 29/- per Seer, and that as this may stimulate smuggling from Mysore, if the price is not raised there, the Durbar may be requested to raise their issue prices also.

2 ~~G.R.S.~~ 58 The 7.A. Resident.
No. Pol. 728 dt 26.2.10

States that the existing rate in Mysore is Rs 37-8 per Seer of 80 Tolas which is much above the price

3. From the F.A. Resident
No. D.O 3596 d 10/6/10.

Forwards a copy of letter no D.O 660 B/10-2926 5/10 from the Secy to the Govt of madras Rev. Deptt. and requests the views of the Durbar on the suggestion made therein in regard to the necessity of raising the retail selling price of opium in Mysore to the level of that obtaining in adjoining British territory viz Rs 65/- per Seer.

4. To the Excise Comr. No. H. 6195 dy 30/6/10
Communicates the above and asks for a report on the suggestion of the madras Govt.

5. From the Excise Comr. No. 75 dy 2/7/10.
States that in respect of the retail selling price of opium the system in force in madras may be adopted for Mysore i.e to leave it to the Shop keepers themselves to fix the rate.

6. To the F. A. Resident No. Pol. 427 dy 10/11/10.
Intimates that the Durbar have decided to allow the licensees themselves to fix their own prices following the procedure in madras.

7. To the Excise Comr,
Dcs of Districts,
" Comptroller
No. H. 2878-87/dy 1-12-10
Directs that for reasons stated the licensees of opium Shops be permitted to fix their own retail prices with effect from 1st July 1911 and requests the Excise Comr to effect effect to this order making necessary changes in the Sale notice &.

P.T.O.

G.R.S. 11] 1909.

GENERAL AND REVENUE SECRETARIAT

(814)

NOTES.

File. No. 172-09

FILE HEADING.

Raising the issue price of Salt.

From The Hon'ble Resident in Mysore

No. 727 Dated 5/2/10 Received 7/2/10

Diary No. 3099 Enclos. Spare Copies. Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards copy of letter no 319 dt 29/1/10 from the Secretary to the Madras Govt. has proposed to enhance the issue price to Rs 29/- per Seer and that as this may stimulate smuggling from Mysore if the price is not raised there, the Govt. may be requested to raise their issue price accordingly.

NOTES AND ORDERS.

1. The issue price of salt in the Madras Presidency is now only Rs 20/- per Seer of 80 tolas. and the Madras Govt. have decided to raise it to Rs 29/- with effect from 1st April 1910. They

NOTES—First sheet.

GPB—30,000—20-3-06.

(2)

Serial No.

Suspected smuggling of the drug into these Dominions from the Mysore Territory unless the latter also raises their issue price approximately to that assumed. It may be observed that in 1907-8 alone we have raised our issue price to Rs 37-8-0 per seer which is much above the figure now proposed by the Madras Govt. The presumption of smuggling is therefore more in favour of the Overseer. An attempt was made to obtain the figures of consumption of opium on the bordering talukas on either side of the frontier both these abstracts with a view to ascertain the real situation but the details could not be had in respect of the bordering talukas of the Madras Presidency.

2. Consequent on the enhancement of the cost price payable by the Overseer to the Madras Govt the Comptroller in Mysore Govt

R
Return No 11 8842 of 8/11/89-06-6
30/5/07.

GPB—55,4.11—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

SM File No. 172 of 1909

Serial No.

suggested last year a proportionate enhancement of our ganja prices, but this was not approved by Govt as the ganja prices had been raised only a couple of years ago with the observation that the alteration of rates may be considered once in 5 years or so. The Residency may therefore be informed that there is no reason to enhance the ganja prices as suggested by the Madras Govt and with a draft according formal or other orders thereon

4/12/09

14/12/09

A Dorjee Esqr

4 (1) As our present rate is higher than what is now adopted in Madras a simple reply intimating this fact may be sent to the Res'y.

5 a revised draft is put up.

(2) The Excise Commr has not brought to our notice any instances of smuggling consequent on the increase

Note—Contn. sheet.

Note 7368 Q
Sin blr 08-14
9/12/09

GPB—55,0-10—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

SA File No. 172 of 190 9

Serial No.

in the retail price ordered a couple of garages. It is therefore hardly appropriate to [illegible] request the Madras Govt to bring up their prices up to the level of their own

Please put up Cleared Sept Submit

SD 19/2/10.

Sec'y

Govr

Govr 23/2/10

SD 23/2/10

1211 24-2-10

returned Govr 24/2/10

Issue

SD 24/2/10

2 To the F.A. Resident no. Pol 728 & 26-2-10 states that the existing rate in Mysore is Rs 37-8 per bearing 80 tolas which is much above the price proposed by the Madras Govt

3 From the F. A. Resident no. D. 3596 & the 10.6.1910. forwards a copy of

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G.R.S. 12]
General and Revenue Secretariat.

S.R File No. 172 of 1909-10

Serial No.	
	letter no. D.O. 660B/10-2 dtd 26/5/10 from the Secy to the Govt of Madras Rev. Dept. + request the views of the Govt on the suggestion made therein in regard to the necessity of raising the retail selling price of opium in Burma to the level of that obtaining in adjoining British Territory, viz: Rs 6 per seer.
	6 The Excise Govt may be requested to favor his opinion in the matter. Draft Govt
	K.S. 26.6.10
	Issue SH
	26/6/10
	4 To the Excise Comr No H 6195 dtd 3-7-10. Communicates the above & asks for a report on the suggestion of the Madras Govt.
	5 From the Excise Comr No 75 dtd 2/7/10. States that in respect of the

NOTE—Contn. sheet.

GPB—55,000—27.4.09

G.R.S. 12]
General and Revenue Secretariat.

SR File No. 172 of 1909

Serial No.

bits of the Madras Presidency. The practice in that Presidency is said to allow the licensees themselves to fix their own retail prices so as to cover (1) cost-price & Vend fee of the drug (2) their other expenses & (3) a small margin of profit with reference to the auction account. The Excise Commr. who was consulted in the matter recommends that this system may be extended to Mysore also instead of fixing the retail selling rate from 9 to 12 annas per tola as is of opinion that the duties should precipitate as far as possible with the Madras Govt. in such matters the Govt. has adopted from the beginning [illegible] Govt. may not be desirable to leave the retail selling price to be fixed by the licensees themselves for more reasons than one. Such a measure may cause facilities for fraud & malpractices on the part of the

NOTE—Contn. sheet.

GPB—50.000—13-5-08

Serial No.

tola while it is 9 annas in Mysore. It is therefore evident that no opium was smuggled even in this bit from Mysore.

4) If the retail selling price in Mysore is now raised to 12 annas per tola or Rs. 60/- a seer as suggested by the Madras Govt, the margin of profit to the licensee will increase from Rs 7-8-0 to Rs 22-8-0 a seer & no portion of it will come to Govt.

5 The Madras Govt. may therefore be told that the Resident that the lease for the current year having already commenced it is inconvenient to enhance the rate now and that the question will be taken up & considered for the next year's lease

Submitted for orders

Dated 24/7/09

Mr 25/7/09

The Excise Comm's suggestion may perhaps be adopted. To enhance the existing fixed price would not meet the views of the Madras

GPB—50.000—13-5-08

G. R. S. 12]
General and Revenue Secretariat.

S R. File No. 172 of 1909

Serial No.

But vend price in may go up in future years

Govt but the profit resulting from the Enhancement will so entirely the Vendor, in other words there will be an unnatural bolstering up of the price of opium for benefitting the Contractors. It ~~is very difficult to forecast the exact~~ (2) It is possible that the price resulting when allowed to adjust itself in the open market, may yet be less than what obtains in some of the Districts of the Madras Presy bordering on this ~~Madras~~ State but this can not be helped. At all events the Bombay Suggestion may be tried for some time.

(3) C of m St. & Coorg will also have to follow suit if not before we can take final action

2 7/7/10 SD

See 7) 15. If the retail price is raised in the manner proposed the probability is that the vend ~~rate~~ price will go up in the auction sales. The system may be tried from the beginning of the next year & in the meanwhile the

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

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Serial No.

Residency may be addressed in regard to the preparedness of Coorg and the Chiefs to adopt the same system.

Devan Bahadur 1st Cr] 1/8/10

1/8/10.

350
2.8.10

(2) I agree with the Hy Secretary. The new system of allowing the vendors of opium to fix their own retail price may be brought into force next year, provided Coorg and the Chiefs states follow the same rule.

(1) There is much force in the contention of the Madras Government.

(3) Nothing can be done this year as the Contracts have been already let and to give the vendors the option of fixing the retail price would not have the desired effect.

7207
4.8.10

(4) Assimilation of rates on either sides of the frontier is only possible when there is a fixed rate on both sides.

3/8/10

This is

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

File No. 172 of 1909

Serial No.

This is correct & true - It is reputed that by changing our system throughout the State, our frontier shopkeepers will cooperate with the frontier shopkeepers and that the rates on the frontier articles will be the same? I doubt it - & we feel obliged by the question being discussed further on these lines also.

(20) Brit Cruise)

dtg 27/8/10

SD 24/8/10

Ordered

(21) Under the arrangement in force in the Madras Presidency the retail vend rate is regulated mostly by the amount of toddy secured at auction sales of shops. The licensee will try his best to get as much money as possible by fair means alone seeing that there is no scope at all for foul means as in the case of arrack in our Gold Fields he will be obliged to charge the

NOTE—Contn. sheet.

GPB—55,000—27.4.09

Serial No.

rate often according to the demand for the drug. North Canara is just in the same way as all other districts keep down to the daily necessities of life. In Canara before we objected that the same rate will prevail in all the bordering districts and thereby there will be no competition in Mysore will in no way be different from those of Madras and it cannot be said that the Mysore licensees will co-operate with the Madras licensees as each will look to his own interests. Govt. Canara also interfere in the matter of rates when the choice is left to the licensees to fix their own rates.

(22) The principle involving the taxation on excise articles is that the revenue should be mainly from duty & the licence fee or auction amount should only be an auxiliary revenue. When the licensee is left given the option of fixing his own rates, the competition may

GPB—55,000—27.4.09

SM File No. 172 of 1909

Serial No.

in some cases be very keen and the amount of purchase money may be very high to violate the above principle. The licensee will be induced to use all means, fair as well as foul, to recover his Capital. Such instances may not be uncommon in the Kolar Gold Fields to fix the minimum selling rate in respect of each, the licensee leaving the option to raise it to the extent he liked. The result was there was a considerable decrease in the Consumption of each & the Consequent loss of revenue. The minimum rate was therefore given up the very next or the third year. The Case of opium may not be different.

(24) But it may be argued that opium being a small Concern the loss to Govt if there be any may not be much. and any ~~loss in the Budget~~ fall in the Consumption & the Consequent loss ~~to Govt~~ of

NOTE—Contn. sheet.

Serial No.

revenue in the shape of duty &c. (merged in the issue price) will be made good by increase in the accretion account. Much is conjecture may not however be exceeded in excess of these shops

these

31/8/10

31/8/10 (25) It is too much to expect the Shopkeepers on either side of the frontier to cooperate with one another with a view to reduce the retail price to a uniform rate. There is nothing to induce them to do so

~~Even if there is no reason to expect any considerable increase of consumption on both sides of the line as at present, on the basis of the price at which the retail vendors~~

(26) If however there should be uniformity on both sides we should directly or indirectly raise the retail price of opium from ~~Rs~~ 45/- to ~~Rs~~ 65/- per seer - ~~that is~~ which means

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

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Serial No.

Abo Shop-an

rentals may increase ~~as~~ whether ~~Blades~~ and the shopkeepers may ~~sell~~ may also try to sell the drug ~~drugs~~ at as high a rate as possible — the outside limit being the prices obtaining in the neighbouring ports of Blades we can not however be sure ~~that~~ of all this.

1/9/10 SH

(28) In any case it seems to be necessary to raise the limit fixed in Mysore for the retail price. It leaves no room whatever for profit to the vendor. This may in reality be one reason why our shop rentals are so small when Compared ~~to~~ with Blades.

1/9/10 SH

(29) Sec 4). ~~Division~~ Assimilation of rates on both sides of the frontier will be possible only when the rates on both sides are fixed by authority,

NOTE—Contn. sheet.

GPB—55,000—27.4.09

Serial No.

but also under the pressure of competition when ~~two~~ shops ~~on~~ on both sides of the frontier are equally accessible to a large body of consumers. It is however doubtful whether this condition of equal accessibility exists to any large extent on the Madras Mysore frontier, ~~but only~~ except perhaps on the eastern & northern frontiers of the State. In these places if the Mysore shop is compelled to sell cheaper than the Madras shop, Consumers in the Madras side may be tempted to buy the drug in Mysore & either consume it in Mysore limits (which is no breach of the law) or smuggle it into ~~the~~ Madras limits (which would be an offence*) - In either case the Madras shopkeeper would lose his customers & might grumble - If both shopkeepers were at liberty to fix the price at their discretion (as is now proposed) prices on both sides would tend to be equal - In other parts of the State where the frontier shops are situated far from each other

* somewhat difficult to prevent.)

GPB—55,000—27-4-09

Serial No.

the mysore ~~sale~~ price will have very little effect on the madras prices & vice versa & smuggling would also be very rare.

Dewan Mysore (Offr)

26/9/10

SR

26/9/10.

(30)

925

28-9-10

To the observations made by the Offg Secretary I would add that what should be first aimed at is an assimilation of the system of taxation and then the assimilation of rates will follow under the pressure of competition. Each vendor will be at liberty to fix his own rate. The public will patronize the vendor whose rate is of the lowest. This will lead in due course to the equalization of rates as far as possible.

The working of two different systems on the frontier as

NOTE—Contn. sheet.

GPB—55,000—27.4.09

Serial No.

as present is fraught with inconvenience. It should be possible for the two Governments to adopt that system which would safeguard the revenues of both.

(31) Far from losing any revenue the system of leaving the vendors to fix their own retail rates might result in an increase of revenue.

KBL
28/9/10

(30)

Dewan's

8184
29.9.10

I agree draft may issue accordingly

GB
28/9/10

28/9/10

Draft Order

Put up draft

CBS
27/10/10

Draft ruled

Issue
10/11/10

mr
10/11/10

Issue draft Do at once & publish separate Order to Ex Comm

CBS
10/11/10

DO issued on 10/11/10

NOTE—Contn. sheet.

GPB—55,900—27.4.09

Serial No.

Draft Order sealed as directed by the Secy

Secy
17/11/10

Please make a clean copy as revised

Secy
23/11/10

Clean copy of the Draft sealed

Secy 56
22/11/10

Secy
24/11/10

24/11/10

Secy

Draft order submitted for approval

Secy

CSB
25/11/10

Secy
25/11/10

14 22
26.11.10

Approved

26/11/10

Issue.

CSB
26/11/10

Secy
26/11/10

NOTE—Contn. sheet.

GPB—55,000—27.4.09

(23

Serial No.

The Ec. Comm of Sch is submitted for
Useful
Dept 5b
18/3/11 Approved
13/3/11

& from the Executive Comm
No 73958 17/3/11
States that useful changes
have been introduced into the
Conditions of the Sale notice &
submits a draft Note amending
Govt Note no 88542 - 8M 89-06-6 Fin
30/5/07 respecting the prescribed selling
price of Alum

Submitted
The draft Note is alternative may issue
Dept 5b
25/3/11 The proposed alteration
is inserted in the Govt
the existing order respecting
the current prescribed selling
price of Alum.

V.

Dept 5b
25/3/11
25/3/11 (Secretary)

Issue
25.3.11

13/4/11

NOTE—Contn. sheet.

GPB—55,000—27.4.09

13/4/11

G. R. S. 12]
General and Revenue Secretariat.

(24

80 File No. 172 of 1909

Serial No.	
9	To the Compiler, Mysore Gazette
	no-H. 4856 & 18-4-11.
Mysore Gazette Part I page 193 d-20-4-11	Notifies the alteration in the retail price of opium

NOTE—Contn. sheet.

GPB—55,000—27-4-09

D 3099 (1)
172-05-8 no 1 SN

Letter No. 319, dated the 29th January 1910, from the Secretary Revenue Department. to the Government of Madras, to the Hon'ble the Resident in Mysore.

I am directed to inform you that the Government of Madras have, with the view of restricting as far as possible the consumption of opium, resolved on charging shopkeepers an enhanced rate of Rs. 29 per seer of the drug supplied to them from taluk kacheries, from the 1st April 1910. As this may stimulate smuggling of the drug from the Mysore Province if the price there is not raised, I am to request you to be so good as to move the Durbar to raise the issue price in Mysore from that date to a figure approximately the same as that which will prevail in the adjoining British territory.

2. I am to add that the rate to be charged to the Durbar for the opium supplied to them from the Madras Sorehouse will continue to be that intimated to you in Mr. Wynch's letter No.214, dated 26th January 1909, viz., Rs.11-9-0 per seer.

No. 724.

Mysore Resident's Office.
Bangalore 5th February 1910.

A copy of the foregoing letter is forwarded herewith to the Government of His Highness the Maharaja of Mysore, with the request that the Resident may be informed of the views of the Durbar on the proposal made by the Madras Government.

W. G. Grey, Major
First Assistant Resident.

Rec: 1235-M
7-2-10.

Districts of the Madras Presidency bordering Mysore :	Consumption of Cheroots in Seers. 1906-07 : 1907-08 : 1908-09	Cases of Cheroots Prosecuted — 1906-07 : 1907-08 : 1908-09
1. Cuddapah	326 ; 331 : 377	— " 1 "
2. Anantapur	129 ; 126 : 125	— " " "
3. Bellary	212 ; 174 : 224	— " " "
4. North Arcot	620 : 630 : 623	— 2 " 2
5. Coimbatore	384 : 423 : 513	— " " "
6. Nilgiris	307 : 269 : 247	— " " "
7. Salem	370 : 357 : 428	— 1 " "
8. South Canara	147 : 114 : 134	— 2 " "
9. Malabar	6956 : 5376 : 5713	— 29 . 13 "

*: Relevant quantities issued to Native Coolies Travancore —

Prosecutions — 4 5 4 Items

Margin of profit in Mysore. 45-0-0 — 37-8-0 = 7-8-0

Margin of profit if the retail price is increased to 60/- 60-0-0 — 37-8-0 = 22-8-0

clearedoff

(3)

G.R.S. 26]

File No. 7209

Serial No. 2

25/2/10

Diary No. of letter replied to 3099

Pol. No. 728

General and Revenue Secretariat

(Secret)

, *the* 190

To

The J. A. Resident

in Ellpore

Sir,

Date of issue 26-2-1910.

Signed by

Mr. S. Balasundaramiyer

With reference to your endorsement no 727 dt 5-2-1910 forwarding a copy of letter no. 319 dt 29-1-1910 from the Secretary to the Govt of Madras, Rev Dept, suggesting the enhancement of the issue price of opium in Ellpore, I am directed to state that the existing rate in Ellpore is Rs 37-8 per seer of 80 tolas which is much above the price promised the Madras Govt viz Rs 24/- per seer

I have &c

over.

24/2/10

SUBJECT

For Offg Secy

P.T.O.

Copies of the above and the Communications received from the Native Rulers were forwarded to the Secretary to Government with Endorsement No. 4318-9 dated 28-2-1910

List of enclosures,

Copied by

Examined by

GPB—10,000—23-5-08

D. O. letter No. 660 B/10-2, dated the 26th May 1910, from Secretary to the Government of Madras, Revenue Department, to the Hon'ble the Resident in Mysore.

With reference to the correspondence ending with your --- letter No.1497, dated 10th March 1910, on the subject of the enhancement of the issue price of opium in the Mysore State so as to prevent the smuggling of the drug into adjoining British --- districts, I am directed first to explain the system of opium sales obtaining in this Presidency.

2. (a) Opium is obtained by Government from the Bengal factory and stored in the two store-houses at Madras and Rajahmundry and in taluk katcheries and is issued thence to shopkeepers on payment of a price which is fixed by Government before the commencement of each lease.

This price for the year 1910-11 is Rs.28 per seer if the issues are from storehouses and Rs.29 if the issues are from taluk katcheries against Rs.23 and 24 respectively in 1909-10, or an average of about Rs.28-8-0 in 1910-11 against Rs.23-8-0 in 1909-1910.

(b) The right to vend opium by retail in shops is sold by auction each year, and the incidence of this vend rent per seer of opium issued by the shopkeepers in 1909-1910 has, in the -- case of the districts adjoining the Mysore State, ranged from Rs.16-0-6 to Rs.29-5-9 (vide column 4 of annexure).

(c) The Government do not, except in exceptional cases, fix the retail price at which opium should be sold to the consumers but leave it to the shopkeepers themselves who fix it so as to cover

(1) the amounts above referred to as paid by them to Government in the shape of cost price and vend rent

(2) their other expenses, and

(3) a small margin for profit, this margin varying

with

with reference to the extent of competition among retail vendors.

3. Taking the districts adjoining Mysore, it will be observed from the annexure that in 1909-10 the initial cost of the opium to the shopkeepers excluding their other expenses and profits has, with the exception of Malabar where it was nearly Rs.40, been over Rs.40/- per seer.

4. The Board of Revenue reports that the most common retail selling price in the above districts in 1909-10 was annas 12 per tola which is equivalent to Rs.60 per seer. Considering -- the fact that the shopkeepers have to realise the prime cost as detailed above and have to recoup their other expenses and make a profit, His Excellency the Governor in Council considers that the reported retail price may fairly be regarded as accurate.

5. I am now to point out that, in consequence of the enhancement of the issue price of opium in this Presidency from Rs.23 and 24 to Rs.28 and 29 per seer at storehouses and taluk katcheries respectively from 1st April 1910, the retail selling price in shops is likely to be considerably in excess of that referred to in the preceding paragraph as prevailing in 1909-10. If the enhancement in price is in proportion to the enhancement in issue price, you will see that the average selling price in the districts bordering on Mysore during the current year should be Rs.65 per seer. As the retail price fixed by the Durbar is only annas 9per tola, which is equivalent to Rs.45 per seer, it will be evident that there will be considerable scope for smuggling from Mysore into the adjoining British districts. I am accordingly to request you to be so good as to move the Durbar to adopt such measures as will have the effect of raising the Mysore shopkeepers' retail selling price to the level of that obtaining in adjoining British territory.

In

Annual Income Cost of Collection Charges with the Districts adjoining Mysore in 1869-70

Districts.	Income of Farm Years	Rental Rs	Incidental Rental per Cent of Farm Rs As Ps	Annual Charges Home and Establishment Rs As Ps	Total Farm Cost of Collection per Cent Rs As Ps
Coimbatore	399	9729	24-6-1	23-8-0	47-14-1
Dharapuram	116	3605	29-5-9	23-8-0	52-13-9
Palkonda	244	4094	16-12-10	23-8-0	40-4-0
Nortlacarei	588	11265	19-2-6	23-8-0	42-10-6
Coimbatore	435	7610	17-7-6	23-8-0	40-15-6
Nilgiris	297	6480	20-12-11	23-8-0	[illegible]
Salem	401	10626	26-7-11	23-8-0	49-15-7
South Canara	127	3381	26-3-7	23-8-0	49-11-7
Malabar	816	13081	16-0-6	23-8-0	39-8-6

D384

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE,

No. 75 *Bangalore, dated*.....2nd July..*19*10.

From

H . H . Sparkes, Esquire,
Excise Commissioner in Mysore.

889.172-09
8no. 5

C . S . Balasundaram Iyer, Esq, B.A.,

Offg: *Secretary to the Government of*
His Highness the Maharaja of Mysore,
General and Revenue Departments.

Sir,

Adverting to your letter No. Fl. 6195/S.R.172-09-4, dated the 30th June, calling for my opinion on the suggestions made by the Secretary to the Governemnt of Madras, Revenue Department, regarding the enhance-ment of the retail selling price of opium in this state, I have the honor to state that in view of raising the issue price of Opium to the renters from Rs 28/- to Rs 29/- per seer of 80 tolas the Madras Govern-ment propose that the selling price in Mysore should be raised.

At present the rate in Mysore is fixed at 9 annas per tola i.e. Rs 45/- per seer which includes the purchase amount from Government of Rs 37-8-0 leaving a profit of Rs 7-8-0 per seer. During the year 1908-09 only 1217 seers of opium were sold, which at Rs 7-8-0 comes to Rs 9127-8-0 against which, the auctioned amount of shop rental aggregating Rs 9378/- has to be set out, thus resulting in a loss of Rs 250-8-0 plus the minor expenses. In this state the same contractor is allowed to vend opium and ganja under separate licenses so that one counterbalances the other and the shopkeeper makes good his loss. In the year 1909-10 the shop

8/2 5734

19

From

H. H. Sparkes Esqr
Excise Commissioner in Mysore.

To

C. S. Balasundaram Iyer Esq
Secretary to the Government of
H. H. the Maharaja of Mysore,
Genl. and Rev. Depts.

Dated

Despatched 2-7-10.

Received

General No. 75

Enclosure No.

SUBJECT.

Submitting opinion regarding the enhancement of the retail rate of Opium proposed by the Secretary to the Govt of Madras, Revenue Department.

GPB—2,000—31-7-09

shop rental dropped from R^s 9378/- to R^s 8572-8-0. In the current year, However, the rental from opium shops is R^s 8841-12-0 being a slight rise over last year.

The correspondence under advertance shows that the general retail price per tola to the consumer is 12 annas in the Madras Presidency against the fixed price of 9 annas in Mysore and if the issue price of opium is raised in Madras it stands to reason that it will lead to smuggling from Mysore, although it would appear from the sale figures noted above, that not much smuggl--ing has taken place hitherto.

I am of opinion that the Durbar should reciprocate as far as possible with the Madras Government and with that view, I would suggest the abolition of the fixed price and allow the shop [illegible] keepers to sell at their own prices. The shops have been sold for this year and the fixed price accepted. But if the shop keepers refuse these proposed terms it will prove that smuggling is - - resorted to. Having sold our shops we cannot alter our fixed price from 9 annas to 12 annas as suggested by the Madras Govern--ment as we should be breaking our contract with the shop-keepers

If the above arrangement should meet with the approval of Government, the Civil and Military station of Bangalore where the retail rate was fixed at 9 annas per tola to assimilate with our own in the City in May 1908, may have to revise their rates

rates in accordance with the proposed change.

The low vend rent of R^{s} 7-10-0 in Mysore observed by the Secretary to the Madras Government in his demi-official letter clearly indicates that our shops are not so very attractive as to draw competitors who intend to make profits by smuggling the drug into British parts. The fact of the matter is, as reported by Mr. Purnayya in this Office letter No. 4006, dated the 6th May 1907, that Mysoreans are not much addicted to opium and that the consuming population chiefly consists of the fleat-ing portion coming from other parts of India. The small consumption shows that there has not been a great demand of the drug from other parts.

I may here mention that assimilation of rates on either side of the frontier is only possible when there is a fixed rate on both sides. The present rate of 9 annas a tola was raised in 1907 from 7½ annas which it was before, on account of the enhancement of the cost of opium to be purchased by Government. Although this system has much to support it, yet, in view of the reciprocation referred to above, the only course that seems - - feasible to me is to adopt the Madras System at this time when the sales have been completed and the lease has begun.

I have the honor to be,
Sir,
Your most obedient servant,

Excise Commissioner.

G.R.S. 26]

File No. 172/09
Serial No. 67

Diary No. of letter replied to 34

General and Revenue Secretariat
(8/11)
, *the* 19 .

Date of issue 10/11/10

Signed by C Balasundaram 8/11

about

To

Dewan No. 4278 10/11/10
Encre

Sir.

With reference ~~to your~~ to Mr Jon Grey's D.O letter no 3596/09 10th June 1
~~and subsequent Correspondence on the subject~~ relating to the enhancement of the retail selling prices of arrack in the Mysore State, I am directed to state that the Durbar have decided to allow the licensees themselves to fix their own prices

over.

1 Subsequent Correspondence on the subject

SUBJECT.

following the system in vogue in the Madras Presidency and to give effect to the change from 1st July 1911.

2. The statement received with Mr. Grey's letter referred to above is herewith returned.

Yours sincerely.

CSB

J.H.S.G.

To P.R. Cadenhead, Esq., I.C.S.

Collector, Ganjam.

List of enclosures,

With reference to his letter No. 75 dated 2/7/10 and with a request that suitable necessary changes may be introduced in the Rules for the sale of opium for 1911-12 — I submitted to Govt. for approval.

P.T.O.

Copied by

Examined by

J.H.S.G.

Store 10/11.

MB—20,000—12-6-10

D.O.No. 1265

Mysore,
29th August 1910.

My dear Sir,

In reply to your D.O. letter No.5157 dated the 27th August 1910, I write to say that the question of the revision of the retail selling price of opium in the Mysore State, raised in your D.O.No.3596 dated the 10th June 1910, is engaging the consideration of the Durbar. The question is whether, by changing the system throughout the State, frontier shopkeepers in Mysore will co-operate with frontier shopkeepers in British India and whether the rates on both sides of the frontier will be the same under a system which does not require fixed prices, but allows of variation of prices within a certain range at the option of the vendors. I hope to send a final reply early.

Yours sincerely,
Sd/- T. Ananda Row.

Major W.G. Grey I.A.,
First Assistant to the Hon'ble
the Resident in Mysore.

"Copy"

Submitted to Secretary
Mysore
29th August

4

Clear Draft

G.R.S. 28]

26-11-10 (3-45 PM)

2 Copies

172

File No. 69

Serial No. 7

Diary No. of letter replied to 34

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

S/h

, *the* 190

Date of issue 1st December 10

Signed by M Hiriyanna

READ— Correspondence ending with letter no 75 & 2/7/10 from the Excise Commissioner about the enhancement of the retail selling price of opium in the State

ORDER THEREON.—No. The Govt. of Madras do not accept in special cases, fix the retail price at which opium should be sold to the consumers but leave it to the shop keepers themselves

over

No K 2878-87

21-12-10

In the correspondence read above the ~~question~~ desirability of increasing the retail price of opium in the state has been brought to the notice of Govt. It is understood that

SUBJECT

S Srinivasachar

GPB—6,000—13-5-08

to fix it so as to cover:-

1) the cost-price and rent

2) their other incidental expenses and

3) a small margin of profit, this margin varying with reference to the extent of competition among the retail vendors.

In fixing the prices of the Madras Presidency adjoining the Mysore State into consideration the initial cost of opium to the shop keepers + excluding their other expenses and profits comes to Rs 45/- a seer (of 80 tolas) and the retail price charged by the shop keepers to the consumers is about Rs 60 a seer while ~~it~~ in Mysore the retail price is fixed by Govt at Rs 45/- the

Proceedings of the Government of His Highness the Maharaja of Mysore, Financial (Separate Revenue), dated 1st December 1910.

READ—

Correspondence ending with letter No. 75, dated 2nd July 1910, from the Excise Commissioner in Mysore, about the enhancement of the retail selling price of opium in the State.

No. FL. 2878-87—S. R. 172-09, DATED BANGALORE, 1ST DECEMBER 1910.

ORDER THEREON.—In the correspondence read above, the desirability of increasing the retail price of opium in the State has been brought to the notice of Government. It is understood that the Government of Madras do not, except in special cases, fix the retail price at which opium should be sold to the consumers, but leave it to the shop-keepers themselves to fix it so as to cover—

(1) the cost price and vend rent,

(2) their other incidental expenses, and

(3) a small margin of profit, this margin varying with reference to the extent of competition among the retail vendors.

Taking the districts of the Madras Presidency adjoining the Mysore State into consideration, the initial cost of opium to the shop-keepers excluding their other expenses and profits comes to Rs. 45 a seer (of 80 tolas) and the retail price charged by the shop-keepers to the consumers is about Rs. 60 a seer while in Mysore the retail price is fixed by Government at Rs. 45. The existence of the above difference of rates on the frontier and the circumstance that the issue price and farm rent paid by the licensees in Mysore leave them no margin of profit at the present fixed retail price of 9 annas per tola are regarded as likely to facilitate the smuggling of opium from Mysore into the Madras Presidency and an enhancement of the retail selling price of opium in Mysore to Rs. 60 a seer is suggested as desirable for several reasons. Government are of opinion that it is unnecessary to fix the retail price as is done at present and that the licensees may be permitted with effect from 1st July 1911 to fix their own prices for selling opium to the consumers. It is hoped that the keen competition at the time of the annual sale of shops will bring about an increase in the retail price of the drug so as to assimilate to each other as far as possible, the rates prevailing in the shops of the State and those in the adjoining districts of the Madras Presidency.

The Excise Commissioner is requested to give effect to this Order and make the necessary changes in the conditions of the notification for the sale of excise shops for 1911-12, and in the opium rules and submit them for approval of Government in due course.

C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Excise Commissioner in Mysore.
The Deputy Commissioners of Districts.
The Comptroller, Mysore Government.

Exd.—C. V.

1910-11

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL
(SEPARATE REVENUE)

PROCEEDINGS

Dated 1st December 1910

No. Fl. 2878-87
S. R. 172-09

Permitting the licensed vendors of opium in the State to fix their own retail prices, with a view to prevent possible smuggling of the drug into adjoining British districts, due to the different rates in retail price prevailing in the two places.

GPB—15-12-10—200

No 7395-
E : 2

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE,

Bangalore, dated...17.th..March.....*19*11.

From

H. H. Sparkes, Esquire,

Excise Commissioner in Mysore.

To

C. S. Balasundram Iyer, Esq., B.A.,

Offg: *Secretary to the Government of*
His Highness the Maharaja of Mysore,
General and Revenue Departments.

SIR,

Adverting to Government Proceedings No. Fl.2878-87/S.R. 172-09, dated 1st December 1910, directing that with effect from 1st July 1911, the licensees of opium shops may fix their own - - prices for selling opium to the consumers and requesting to make the required changes in the Sale Notification as also in the Opium Rules, I have the honor to state that the necessary changes have been made in the conditions of the Sale Notification, the draft of which has been submitted for approval of Government with this office No. 7153 dated 4th March '11.

2. As regards making the changes in the Opium Rules, I beg to state that the Rules, as they stand at present, require no revi--sion so far as the present change is concerned. However, the enclosed draft Notification which embodies the change required, may be approved and ordered to be published.

I have the honor to be,

Sir,

Your most obedient servant,

for Excise Commissioner.

11/1/03

1911

From

5372

H. H. Sparkes, Esq^re
Excise Commissioner in Mysore.

To

C. S. Balasundaram Ayer Esq^re B.A
offg : Secretary to the Government of
H. H. the Maharaja of Mysore,
Genl. and Rev. Depts.

Dated 17th March 11

Despatched

Received

General No.

Enclosure No.

SUBJECT.

Submitting for approval the draft Notification directing that the licensees of opium shops may fix their own prices with effect from 1st July 11 for selling opium to the public

GPB—2,000—31-7-09

NOTIFICATION.

~~No. Fl. 8842—S. R. 89-06-6, dated 30th May 1907.~~

It is hereby notified for general information that the following prices of opium are sanctioned with effect from 1st July 1907, in supersession of those authorized by Notification No. 239, dated the 18th March 1885:—

Price at which Government will sell opium to licensed vendors.	7½ annas per tola or Rs. 37-8-0 per seer of 80 tolas.
Price at which licensed vendor shall sell opium to the public.	~~9 annas per tola or Rs. 45 per seer of 80 tolas.~~ Now 18 annas per tola the licensees are permitted to sell opium to the consumers.

By Order,

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

Opium juice for selling opium to the consumers.

D 372

9

Notification.

No. Fl. 36488 Dated 18-4-11

Hdq. V.

Mysore Gazette
Part I Page 193
d. 20/4/11

In Notification No. Fl.8842/C.R.89-06-

dated 30th May 1907, substitute " From 1st

July 1911, the licensees are permitted to

fix their own prices for selling Opium to

the consumers " for " 9 annas per tola or

R. 45/- per seer of 80 tolas ".

By Order ,

Offg: Secretary to Government,
Gen. & Rev. Depts.

8. From the Excise Com^{r}

No. 7395 d. 17.3.11

States that needful changes have been introduced into the conditions of the Sale notices and submits a draft notification amending Govt note no. H. 8842. S.R 89-06-6 dt 30/5/07. regarding the retail selling price of opium.

9. To the Compiler, Mysore Gazette

No. H. 4856 dt 18/4/11.

Notifies the alteration re. retail Selling price of opium.